

2011

*IRS Nationwide*  
**TaxFORUM**

# Update from the IRS Return Preparer Office



2011

*IRS Nationwide*  
**TaxFORUM**



# Phase One

## PTINs for Everyone

2011

**TaxFORUM**  
IRS Nationwide

# Preparer Tax Identification Numbers

Required for all paid preparers

Online or paper application - \$64.25

Over 717,000 to date

- 95% online
- 62% not a CPA, attorney, or EA (“provisional” PTINs)

Renewal season to begin October 2011

- Change to calendar year renewal



2011

*IRS Nationwide*  
**TaxFORUM**



# Phase Two

## What's next?

2011

*IRS Nationwide*  
**TaxFORUM**

# CPAs, Attorneys, and EAs

Renew PTIN annually

No additional requirements



2011

**TaxFORUM**  
IRS Nationwide

# Supervised Preparers and Non-1040 Preparers

## Definitions:

- Supervised preparers: Those who do not sign returns and are employed by attorney, CPA, or EA firms and supervised by an attorney, CPA, or EA
- Non-1040 preparers: Those who do not prepare any Form 1040 series returns

## Renew PTIN

## Submit fingerprints for a background check



2011

**TaxFORUM**  
IRS Nationwide

# All Other Preparers

Renew PTIN

Submit fingerprints for a background check

Pass a competency test

Take continuing education courses annually



2011

**TaxFORUM**  
*IRS Nationwide*

# Background Checks

Submit fingerprints through an approved IRS vendor

- Prometric testing centers
- The UPS Store

Estimated fee range: \$60-90

Due process rights

Estimated start date October 2011

Provisional PTIN holders have until end of 2013

Potential exemption for EFIN fingerprints less than 2 years old





2011

IRS Nationwide  
**TaxFORUM**

# Testing

Test specifications coming soon

- Demonstration of minimum competency
- One level, Form 1040 series only
- One time requirement, not annual

Schedule at hundreds of Prometric testing centers worldwide

Estimated fee range: \$100-125

Estimated start date October 2011

Provisional PTIN holders have until end of 2013



2011

**TaxFORUM**  
IRS Nationwide

# Continuing Education

Annual requirement beginning in 2012:

- 3 hours of federal tax law updates
- 2 hours of ethics
- 10 hours of federal tax law

Obtain from approved providers



2011

*IRS Nationwide*  
**TaxFORUM**

# “Registered Tax Return Preparer”

Initial requirements:

- Pass a tax compliance check
- Pass a background check
- Pass a competency test

Ongoing requirements:

- Obtain annual continuing education courses
- Renew PTIN annually

Notice 2011-45 restricts use of term until requirements are met and establishes an advertising disclaimer



2011

*IRS Nationwide*  
**TaxFORUM**



# Current Areas of Focus

Ongoing efforts to reach unregistered population, including “ghost” preparers and SSN/non-renewed PTIN users

Enhancement of range and quality of communications with registered population

Reconciliation of PTIN and EFIN processes

2011

**TaxFORUM**  
*IRS Nationwide*

# Transition to New Governance Structure

## Return Preparer Office

David Williams, Director

---

PTIN System

Initial Suitability

Testing

Continuing Education

Compliance

## Office of Professional Responsibility

Karen Hawkins, Director

---

Adherence to ethical  
conduct and professional  
standards

2011

**TaxFORUM**  
IRS Nationwide

# Preparer e-file Mandate

Paid preparers (or firms) who expected to file 100 or more Forms 1040/1041 in 2011 required to e-file

- Exceptions for approved waivers and administrative exemptions

Threshold decreases to 11 or more in 2012

Firms must compute the number of anticipated returns in the aggregate. If the firm meets the threshold, all members must e-file.



2011

**TaxFORUM**  
IRS Nationwide

# e-file Status Report

e-file applications up 18% in FY10 over FY09

ERO accepted returns up 12% for 2011 over 2010

1.5 million returns received indicating mandate applicable, but exception met (1.2 million client opt outs)

670+ preparer waiver requests approved





2011

**TaxFORUM**  
*IRS Nationwide*



# More Information

Subject matter experts booth

PTIN registration kiosk – Preparer  
Services Room

[www.IRS.gov/ptin](http://www.IRS.gov/ptin)

[www.Facebook.com/irstaxpros](http://www.Facebook.com/irstaxpros)

[www.Twitter.com/irstaxpros](http://www.Twitter.com/irstaxpros)

[www.YouTube.com/irsvideos](http://www.YouTube.com/irsvideos) (irstaxpro  
playlist)